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HOME (195 1948.) Department

SERIES.

G.O. No. 3404

Dated 13-9-1948.

[Despatch Abstract.]

Motor Vehicles - Transport - Pamphlet on - Nationalisation of Transport in Britain - Record.

From
Sri Rao Saheb V. Hanumantha Rao Nayudu, B.A.,
Transport Commissioner,
No.3, White's Road,
Royapettah, MADRAS.

To
The Secretary to Government,
Home Department,
Fort St. George,
M A D R A S.

Letter No. 5900/B1/48 dated 4-8-1948.

Sir,

NATIONALISATION IN BRITAIN - TRANSPORT - PAMPHLET - FORWARDED.

I enclose for the information of the Government copy of a pamphlet received from the British information Services (India) relating to Nationalisation of Transport in Great Britain.

Encl:

Sd/- .....

/True Copy/

for Transport Commissioner.

SP/4.6.

P.T.O.

NATIONALISATION IN BRITAIN II.

2. Transport.

On the 1st January, 1948, the four mainline railways, together with their associated lines, docks, steamships, and hotels, the London Passenger Transport Board and inland waterways passed (subject to general direction by the Minister of Transport in matters appearing to him to effect the national interest) into the control of the British Transport Commission whose duty is to evolve an efficient, adequate, economical and properly integrated system of Public inland transport and port facilities within Great Britain, and to extend their undertakings in such a way that revenue is not less than sufficient for meeting charges properly chargeable taking one year with another.

to develop and improve that system the Commission are also to conduct

Actual day-to-day operation and general management of the transport system is in the hands of five Executives appointed by the Minister of Transport and responsible to the Commission for the Railways, Docks and inland waterways, London Passenger Transport and, later, road transport, and hotels previously owned by the four Railway Companies.

The system which has thus passed under State control will be the greatest unified transport system in the world. The Commission will own 52,000 miles of railways, 20,000 locomotives, 41,000 passenger vehicles, 1,235,000 goods wagons, some 50,000 houses, 70 hotels, 100 steamships and many thousands of motor vehicles - the whole being valued at over £1,000 million. The method of public control adopted is once more that of the Public Corporation characteristic of Britain. (See R. 829 Public Corporations in Britain and R. 1391 Nationalisation in Britain I).

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P.T.O.

NATIONLISATION IN BRITAIN II.

4. Transport.

The Act was the Transport Act, 1947, It received Royal Assent and became operative on 6th August, 1947.

The Purpose of the Act The Act was passed to set up in Britain a Publicly-owned system of inland transport (other than by air).

Establishment, Constitution and Functions of the Trans-Port Commission. A Board, to be known as the British Transport Commission, and to consist of a Chairman and not less than four or more than eight other members, has been established with general powers to carry goods and passengers by road, rail and inland waterway; to provide port facilities; and to fulfil a number of other allied functions, e.g., the storing and ~~storing~~ and consignment of goods, the provision of amenities and hotels for passengers, etc.

The Commission is also empowered to carry on any activities not included in their general powers which any of the undertakings acquired by them were Authorised to carry on, except that there are certain limitations as regards shipbuilding, the manufacture of or trading in motor vehicles or any part of them, and the sale of oil and petrol for road vehicles.

The general duty of the Commission is so to exercise their powers as to provide, or secure or promote the provision of an efficient adequate, economical and properly integrated system of Public inland transport and port facilities within the country. The undertaking is to be conducted in such a way that the revenue is not less than sufficient for meeting charges properly chargeable to revenue, taking one year with another.

Ministerial Responsibility. The Minister responsible is the Minister of Transport He may, after consultation with the Commission, give to the Commission directions of a general character in matters appearing to him to affect the national interest.

Annual Report. The Commission is to report to the Minister at the end of each financial year on the manner in which they have exercised and performed their functions during that year and on their policy and programme. A copy of the Report is to be laid before both Houses of Parliament.

Establishment, Constitution, Functions of Executive Bodies. Public authorities, to be known as Executives, are and to be set up to assist the Commission in the discharge of their duties. The Executives, are will consist of a Chairman and not less than four or more than eight other members appointed by the Ministers after consultation with the Commission from among persons who have had wide experience and have shown capacity in transport, industrial, commercial or financial matters, in administration or in the organisation of workers.

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At the outset there are to be a Railway Executive, a Docks and Inland Waterways Executive, a Road Transport Executive and a London Transport Executive. Provision is also made for a Hotels Executive.

Each executive is to act as an agent for the Commission and to exercise such of the Commissinn's functions as are from time to time delegated to it by or under a scheme made by the Commission and approved by the Minister.

Consultative Committee

A Central Transport Consultative Committee and Area Transport Users Consultative Committees are to be established to consider and make recommendations on matters affecting the services and facilities provided by the Commission which have been the subject of representations made to them by users of the services and facilities or which have been referred to them by the Minister or Commission for consideration.

Each Committee is to consist of an independent Chairman, a number of members appointed (after consultation with the bodies representative of the interests concerned) to represent agriculture, commerce, shipping, industry, labour and Local Authorities, and a number of members appointed from among persons nominated by the Commission.

There are to be separate Area Committees for Scotland and Wales *

Acquisition of Railway and ~~Central~~ Canal Undertakings.

On 1st January, 1948, all the major railways and Canals, at present under the Control of the Minister of Transport by virtue of a War time Order, are to be transferred to the Commission, which will assume all the rights and liabilities of these undertakings.

Acquisition of Privately-Owned Railway wagons.

All Privately-owned railway wagons requisitioned by the Minister of Transport under Defence Regulations are to be transferred to the Commission. Subject to certain exceptions (e.g. Tank Wagons, Wagons specially set apart for carrying certain specific materials such as, cement, iron oxide waste, etc., specially constructed Wagons such as Bolster Wagons, Brake Vans, etc., and Wagons specially constructed or set apart for use on train ferry services to and from the Continant of Europe) no privately-owned wagon is to be used on any of the railways of the Commission on or after the date of transfer.

Inland Waterways: Licencing Powers:

The Commission may prohibit the use of the whole or any specified part of any inland waterway which is vested in them for the carriage of goods for reward by any person except under and in accordance with the conditions of a license granted by them. A person who on the date of the Introduction of the Act was carrying on a canal 'carrier's business would be substantially interfered with by licensing may require the Commission to acquire the whole or part of the business concerned.

o considers that the ...s)

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* These are: Railway Undertakers: The Southern Railway Company; the Great Western Railway Company; the London and North Eastern Railway Company; the London Midland and Scottish Railway Company; the London Passenger Transport Board and a large number of subsidiary railway companies and joint operating committees.

Canals and Inland Navigation Undertakers. * The undertakers of the Aire and Calder Navigation; the Sheffield and South Yorkshire Navigation company; the Aire and Calder and River Dun Navigations Joint Committee, the Company of Properitors of the Birmingham canal Navigations; the company of Proprietors of the Calder and Hebble Navigation; the Company of Proprietors of the Coventry Canal Navigation; the Grand Union Canal Company; the Leeds and liverpool Canal Company; the Lee Conservancy Board; the Lord Mayor, Aldermen and Citizens of the City of Nottingham (in respect of the Trent Navigation undertaking); the Oxford Canal Company; the Severn Commissioners; the Sharpness Docks and Gloucester and Birmingham Navigation Company; the Staffordshire and Worcestershire Canal Company; the Company of Proprietors of the Stourbridge Navigation; the Trent Navigation Company; the Weaver Navigation Turstees, the Herefordshire and Glousestireshire Canal Company.

Acquisition of Road Haulage Undertakings.

All road haulage concerns mainly engaged in long-distance haulage under "A" and "B" licences will be acquired by the Commission. The Properties to be transferred are vehicles and what was held for the purposes of their operation (including contracts) which are to vest in the Commission free from any mortgage or like incumberance.

Certain classes of traffic are excluded from the definition of e.g., long-distance haulage ordinary furniture removals, carriage of liquids in bulk, meat, livestock, felled timber, heavy ~~individa~~ indivisible loads, and goods for which specially constructed vehicles are required by law.

(Additional) Restrictions on carriage of goods for hire and reward.

As from a date to be appointed it will be a condition of the issue of "A" and "B" licences that the working distance of the operatives will be limited to twentyfive miles from their base except under permit from the Commission. (Permits are not to be required for classes of traffic referred to in the previous paragraph).

If the Commission's decision on an application for such a permit involves substantial interference with the carrying on by a haulier of his business as at the date of introduction of the Act, he may require the Commission to acquire either his complete undertaking, or specified vehicles and assets.

Schemes; Passenger Transport services and Trade Harbours.

Area Schemes may (and if the Minister so directs shall) be prepared by the Commission for the co-ordination of passenger transport services and for the efficient and economical development, maintenance or management of trade harbours.

Every Scheme drawn up must be submitted to the Minister of Transport, who if he approve, will make an order giving effect to it. If there are sustained objections to the scheme, the Order will not come into operation without special Parliamentary sanction.

The body established to provide facilities under any such scheme may be the Commission or any

other specified body. Under the harbour's scheme, the body so established may direct that port facilities in the area concerned xxx my may only be carried on under licence.

Coastal Shipping. Close liaison is to be established by means of a Coastal shipping Advisory Committee between the Commission and the coastal shipping interests, which are otherwise not subject to the provisions of the Act.

Compensation. Compensation for assets or undertakings transferred by the Act or by a scheme made under the Act is to be in the form of British Transport Stock issued by the Commission of a value equal, in the opinion of the Treasury, on the date of issue, xx to the amount of compensation. The stock is to be guaranteed by the Treasury and will bear interest at 3 per cent.

Compensation. (a) Compensation will be based on: for railway and canal undertakings--on the average market value of securities at certain dates, plus certain additional sums;

(b) for road haulage undertakings- on the net value of the assets, plus, in certain cases, sums in respect of compensation for cessation of business and severance;

(c) for Local Authority undertakings - payment to cover interest and sinking fund charges on the debt of the undertaking, plus certain additional sums;

(d) for privately owned railway wagons - payments according to the type of vehicle in question and the year in which it was built;

(e) for transfers of road passenger and dock undertakings under area schemes - payment according to the nature of transfer.

Transport Arbitration Tribunal. A transport Arbitration Tribunal is to be set up to settle disputes arising under the Act on questions of compulsory acquisitions.

Railway Rates Tribunnal. A Transport Tribunal is to be set up to take the place of the existing Railway Rates Tribunnal* and to acquire the jurisdiction over transport matters at present exercised by the Railway and Canal Commission. @

Conditions of Employment. The Commission is to be responsible for setting up and maintaining machinery (unless they are satisfied that such machinery already exists) for

(a) the settlement by negotiation of terms and conditions of employment of persons employed by the Commission, and

(b) the promotion and encouragement of measures effecting the safety, health and welfare of such persons. The same duty rests with each Executive in respect of persons employed by them.

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Compensation will be paid to those who suffer loss of employment or loss or diminution of pension rights as a result of the coming into operation of the Act.

Financial Provisions.

The Commission is to be empowered to create and issue British Transport Stock for the purpose of borrowing money for capital purposes, not exceeding £ 250,000,000. They may also raise temporary loans not exceeding £ 25,000,000. Stock and temporary loan may be guaranteed by the Treasury, which is to lay before Parliament a statement of any guarantee given. Any sums required by the Treasury for fulfilling a guarantee are to be charged to the Consolidated Fund.

The Commission is to be required to establish a general reserve, one of the purposes of which is to be the prevention of frequent fluctuations in the charges. Application of the money in the reserve is to be as the Commission may determine, but none of these money is to be applied otherwise than for the purpose of the Commission.

Provision is to be made for the charge which the Commission may make to revenue.

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* The Railway Rates Tribunal was a Court set up by the Railway Act 1921 to deal with all matters of railway charges.
@ The Railway & Canal Commission was set up by the Railway and Canal Traffic Act 1854, to deal with "reasonable facilities" and "Undue preference" on railways and canals.

Accounts and Records.

The Commission is to cause proper accounts and other records to be kept and is to prepare an annual statement of accounts in such form and containing such particulars as the Minister of Transport may, from time to time direct with the approval of the Treasury. The annual statement is to be so framed as to provide separate and in combination with the periodical statistics and returns rendered by the Commission to show the final and operating results of each such activity. The accounts of the Commission are to be audited by an auditor or auditors appointed annualay by the Minister and in accordance with a scheme of audit approved by him.

A copy of the statement of accounts is to be sent to the Minister of Transport to be laid by him before Parliament.

Application to Scotland.

The Act in general applies to Scotland.

BEFORE THE ACT.

EARLY HISTORY:

Up to the middle of the enghteenth century, highways and navigable rivers represented the sole means of inland transport in Britain. The period from the middle of the eighteenth to the end of the first quarter of the ninteenth century saw the construction of the greater part of the canals and canalised rivers that now exists. The first steam railway was opened at the begining of the ninteenth century, and the system developed so rapidly that within a hundred years it was providing a complete network of communications over the whole country.

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The multiplication of transport facilities during this period was due in large part to the immense and ever-growing activity of the country's production and trade. No one form of transport could hope to fulfil all the demands made upon it; and although the railways quickly earned pride of place as a means of tranpport and held for some time what was virtually a monopoly in transport facilities, they were from the begining subject to strict legislative control, and never entirely superceded either water or road transport.

Canals certainly suffered early and severly in competition with the railways, and were eventually relegated, with the exception of a few which still carried on a useful besiness, to a position of relative obscurity. But great strides were made in the construction of roads, and in the early twentieth century the use of electricity as a motive power in trams etc. and the invention of the internal combuation engine were making it possible for road transport to hold its own as complement and feeder to the railways. At the same time, coastwise shipping and ports, which had always been the essential link between sea and inland transport, had grown in importance and were flourishing in the conditions in which Britain in had risen to economic world dominance.

Keen competition naturally existed between the various forms, of transport and between the several undertakings in each group; but, until 1914, this competition remained within reasonable bounds and was productive only of a greater effort on the part of owners and operators to satisfy the needs of transport users. It was not until after the first world war that rivalry between the various forms, and particularly between rail and road, became a struggle for existence that went on for nearly twenty years.

RAILWAYS:

Almost immediately after the end of the first world war, it became apparent that re-organisation on the railways was essential, if efficient and economic services were to be maintained. In the first place, the railways had for four years been entirely under Government management for war purposes, and had gained undoubted benefits from a system of unified control. In the second place, the economic position of the railways was far less stable than it had appeared before the war. For the first time, the effect of their extremely high capital expenditure during the period of expansion began to make itself felt. The sharp opposition of landowners and municipal authorities alike to the coming of the railroad had meant not only that unreasonably high prices had had to be paid for land, but that equally large sums had had to be paid out to meet claims for alleged destruction of amenties and depreciation of estates. As a result the capital of many undertakings was unnaturally inflated and remained to a great unremunerative; and while this was of no very great importance in the days of prosperity and expansion, it quickly became burden some once those days were past.

Nor was the question of unremmunerative capital the only problem which the railways had to face. There was their costly and specialised fixed equipment which limited their capacity to adapt themselves to the changing conditions and gave them a heavy ratio of overhead expenses. There was the fact that there was no longer an excess of traffic over transport, and that too many companies were competing for the same tonnage. And finally, there were the statutory regulations which (a) required railways to accept all traffics offered to them, and to continue to provide transport facilities even where these proved unremmunerative, and (b) imposed liabilities on the companies as to their expenditure on maintenance of property and on labour, while at the same time prohibiting any raising or adaptation of existing rates and charges.

An attempt to improve the position and particularly to perpetuate some of the benefits of the unified wartime system, was made by the passing of the Railways Act in 1921. An explanatory

memorandum issued when the Act was introduced stated that it was intended (among other things) to sweep up "masses of legislation which had accumulated since railways were first sanctioned by Parliament"; to "enable the Railway companies to bring about economies long desired by the directors and management" and to "ensure to users reasonable facilities at reasonable rates." Its two most important provisions were:

(1) the amalgamation of 123 railway companies (practically every railway company of importance in the country into four groups - the Great Western: the London, Midland and Scottish; the London North-Eastern; and the Southern and

(2) the establishment of an entirely new method of regulating charges. Under the Acts, a body known as the Railway rates Tribunal was set up with extensive powers to deal with all matters relating to rates and charges. The railway companies submitted to this Tribunnal a system of rates and charges designed to produce a Standard Revenue of £ 51,000,000 a year. The new rates, which were based on a new classification of merchandise carried and included it, were known as Standard Charges. A list of these charges was open to examination by every transport user, and the railway companies were required to abide by them, except when they proposed to quote "exceptional rates" which, unless they were between 5 and 40 per cent. lower than the standard, they could do only with the previous consent of the Tribunal.

The value of the merchandise as well as the cost of carrying.

This Act failed to achieve its purpose. In the first place, although the amalgamation had certain advantages, it did not effect all the economies expected from it. In the second place, by the time the Standard Charges had been finally agreed, six years, had elapsed; and the intervening period had been marked by a severe trade depression and by a tremendous increase in road transport, which due to its freedom from legislative control and its ability to adapt both operating costs and charges to changing conditions, was able to compete on very favourable terms with the railway for a dwindling volume of traffic, and particularly for the more profitable kind. By the same means, water transport was attracting a certain amount of slow-moving traffic hitherto dependent on the railways; and while this was a less serious matter, it did nothing to improve the position of the railways, which could do little to alter their operating costs and continued to be obliged to show no discrimination between one type of goods and another, to carry anything that was offered to them and to quote a specified and unalterable rate.

These factors combined to make it impossible for any of the four amalgamated companies to realise their Standard Revenue, and the deficit in the first two years amounted to about £ 14,000,000.

In a further attempt to solve the problem, the Government set on foot an official enquiry, which resulted in the publication of the Salter Report, and in the passing of the Road and Rail Traffic Act, in 1933. This Act, which embodied most of the proposals in the Report, (a) gave rather more freedom of action to the railway companies - it allowed them, for instance, to make "Agreed Charges"., i.e., to give preferential terms to a particular user provided that he gave all or a specified part of his traffic to the railway in question and (b) brought the hitherto unrestricted road transport under a certain amount of statutory control. But, although the railway companies availed themselves to the utmost of their new opportunities; and althouth the Tribunal after examining railway representatives in public requiries, annually declared itself satisfied that there was no lack of efficienty or economy in the management of the

h (having access to every detail relating to railway operations and after)

railways, the situation continue to deteriorate. In 193[illegible], the railway companies launched their "Square deal" compaign, calling for relief from all statutory regulation of charges and freedom to decide for themselves the rates to be quoted for merchandise carried.

The outbreak of the second world war interrupted this campaign before any action had been taken, and on the 1st September, 1939, the Government, through the Minister of Transport took control of the four main railway companies, the London Transport, and a number of minor railways under the Emergency Powers (Defence) Act, 1939- Order No. 1197. Under this order, the Minister appointed a Railway Executive Committee to be his agents for the purpose of issuing directions to the companies, whose managements and staffs, were to carry on their duties as previously subject to the direction and Orders of the Government.

Financial arrangements provided for the net revenues items excluded) of the Controlled undertakings to be this pool sums paid annually equivalent to the average certain periods before the war. In September, 1941, revision were substituted which provided for fixed annual payments £ 43,000,000. The net revenues of the undertakings accorded Government except for these investments in transport undertakings by the Railways, and from railways, in Ireland.

These arrangements - which in the event provided to the companies and to the Government - remained in of the war, for it had by that time become sufficiently return to the pre-war position would be inadviseable, and that a completely new solution to the whole transport proplem be found.

ROAD TRANSPORT.

Developments in mechanically propelled vehicles were greatly accelerated by the extensive use of mechanised transport during the first world war; and from 1920 onwards the practise of carrying goods and passengers by road spread rapidly - the number of motor vehicles of all kinds increasing from between 600,000 and 700,000 in 1920 to over 2,000,000 by 1930 and over 3,000,000 by 1938.

In spite of this tremendous increase in numbers - about half of which represented private motoring and if the public conveyanes of passengers and the carriage of goods - road transport remained practically free from Legislative control, except as regarded public safety, for almost ten years. The road transport industry, unlike the railways, was left to organise for itself, not only its charges and its rates, but also its operating methods and its labour conditions. By 1930 however, it had become obvious that complete lack of regulations would in the end prove harmful both to the industry and to transport users as a whole, and the first Road Traffic Act was passed.

Under this Act, three traffic Commissioners were appointed for each of the thirteen traffic areas into which the country was divided, to control all motor omnibuses and coaches in the particular Traffic Area with which they were conceerned. Their function was to eliminate any services which they considered unnecessary, to fix and maintain fares and to sanction routes and time tables, none of which might be altered without permission. To facilitate their work, it was laid down that every operator of public passenger service vehicles must obtain licenees or certificates of fitness for his vehicles and services as well as route licences, and that route licences would only be granted or renewed if the operator was able to justify his services against any rival provider of transport, including the railways, might object.

The Act also specified maximum hours of work for the drivers of public service and goods vehicles and made provision for the payment of fair wages to passenger transport employees.

/True Copy/

Goods transport by road was affected by the Road and Rail Traffic Act of 1933. The Chairman of the Area Traffic Commissions were made the Licensing Authorities, and Licenses had to be obtained from them for all goods vehicles (with a few exceptions such as fire engines) in one of three classes, viz., "A" for public carriers, i.e., operators using their vehicles for hire; "B" for mixed carriers, i.e., operators using their vehicles partly for hire and partly for their own trade or business only.

The effect of the Licensing regulations on "A" Licences was to make it impossible for them to alter the size of their fleets without permission. No. "A" licence was given or renewed unless the Area Commissioners were satisfied that there was a reasonable need in the area for the services that the licencee proposed to provide. The same conditions governed the granting of "B" licences, the holders of which were further restricted in some cases as to which types of goods they might carry and the radius within which they might operate. "C" licences were granted their licences licences by right, provided that they fulfilled the conditions attached to all licenses regarding keeping of records, fitness of vehicles to be on the road drivers' hours of work etc.

The result of the Act was to stabilise the number of "A" and "B" licensed vehicles, which in 1939 was rather over 93,000 and 54,000 respectively. On the other hand, it did nothing to stabilise charges, since it contained no provision for fixing rates or for establishing a structure of freight charges by road which could serve as a basis for rate control by a public authority.

By 1939, a certain degree of balance and co-ordination in the road transport industry had been achieved. As far as road haulage was was concerned, the tendency had been for small firms to concentrate in the main upon local work, leaving long distance work to be undertaken by the large concerns who were in a position to organise regular services, and to comply with the labour regulations attaching to such work and services. As regards passenger transport, there had been several attempts to unify the operations of services in large and populous areas, of which the creation of the London Passenger Transport Board* was the outstanding example. At the same time the basic difficulty at the root of the transport problem, same time the that is to say the me uneconomic competition between road and rail had not been cleared away, for railway charges were still subject to statutory control, while road charges were not.

During the second world war, the licensing provisions of the Road Traffic Act, 1930 and the Road and Rail Act, 1933 were temporarily suspended, and a more flexible system of permits issued by Regional Transport Commissioners was substituted. The Regional Transport Commissioners also rationed fuel for passenger and goods vehicles.

In 1943, a scheme was initiated whereby undertakings engaged wholly or partly in long-distance work put the whole of their resources at the disposal of the Minister of Transport 's Road haulage Organisation, which carried Government traffic both long and short distances, and all other traffic over 60 miles with certain exceptions.

The object of this scheme was to effect still further economics in road transport, and by providing a centralised administration, to reduce unnecessary journeys to a minimum. The country was therefore divided into fifty-two areas, each under the control of an Area Road Haulage Officer, whose duty it was to co-ordinate, through a number of Unit controllers, all long-distance traffic within, or passing through his area.

/True Copy/

Fuel rationing for all vehicles has been continued since the end of the war. Licensing has been renewed for new aplicants, and/or for modifications of existing services. The Road Haulage Organisation was terminated in August 1946, but certain members of the industry have, under an arrangement negotiated between the Ministry of Transport and the Road Haulage Association, contracted to supply vehicles for essential wor in any part of the country, if local vehicle resources prove inadequate.

All passenger transport undertakings in the London areas were transferred, to the Board by Act, of 1933, except main line railways, whose receipts from suburban traffic in the London area are Pooled with those of the Board. For the full history of the Board, see R.829
Public Corporations in Britain, Section VI page 47.

CANALS:

Government control of the railways during the first world war was immediately extended to the railway-owned canals which were used to a considerable extent to releieve the railways of some of the heavier war traffic and thus to reduce congestion. In 1917, the independently-owned canals, which were finding it increasingly difficult to operate, even at a loss, also brought into the Government schemes, and were placed under the control of a specially appointed Canal Control Committee of the Board of Trade.

As soon as the war had ended, canals were returned to their owners and it soon became appartment that their difficulties would be even greater rapidly to the speedier services offered by th railways. The canals system was suffering even then from the fact that it consisted of a number of separate waterways constructed by independent undertakings to meet local conditions and without regard to the requirements of through traffic; and, since the canal undertakings at the height of their success had made no attempt to amalgamate or even to join in mutually advantageous working arguments, it was practically impossible for a trader to obtain quotation for through traffic or to ensure that his goods would not be subject to frequent and delaying transhipments. By 1919, these disadvantages had aggravated by arrears of repair and maintenance, by the increased cost of labour and materials and by a deficiency of skilled labour.

had
(been before the war when already loosing trade)

In 1920, therefore, the Minister of Transport set up an inter-departmental Committee of Inland Waterways to study the whole problem, and make recommendations for the future of the Canals, This Committee recommended that the various undertakings should be amalgamated into a series of groups owned and adminstered by Public Trusts (since it was financially impossible for such a development to be organised and operated by private enterprise), limited as to dividends and financed wholly or partly by the state and the local Authorities concerned.

No official action was taken on these recommendations, and there were only two cases of developments initiated by the Companies themselves;

(1) the extensive improvements to the Trent Navigation which were completed to the proved advantage of owners and users alike by the Corporation of Nottingham and the Trent Navigation Company, assisted by Government grants; and

(2) the amalgamation by agreement of five separate undertakings owning portions of the canal route from London to Birmingham on 1st January, 1929, to form the Grand Union Canal Company.

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P.T.O.

In 1931, the Royal Commission on Transport, which had been set up in 1928 to investigate the whole question of the co-ordination of transport in Britain, stated that in their opinion "in spite of their limitations, canal and inland navigation form a useful component of the national scheme of transport, particularly as regards the carriage of minerals and bulky materials, and that "a process of amalgamation was a necessary preliminary to any development programme." But again, the proposal was not implemented, for the undertakings were as little as ever in a financial position to carry out such amalgamations, and the idea of Government intervention was allowed to drop.

Following the passing of the Road and Rail Traffic Act in 1933, an agreement for the avoidance of undue competitioned was reached between the railways and the independent canal companies. By this time, however, the opinion of traders in general that canals were on obsolete form of transport had hardened, and agreements of this kind had little effect upon it, it was not until six years later, when the second World War seemed imminent that steps were actually taken to retain traffic on the canals.

In 1939, Central and Regional Canal Advisory Committees were formed to advise the Minister of Transport, and to provide liaison between the Government and the Canal industry, at the outbreak of war, the railway canals were brought under Government control; in 1940 subsidisation of the remainder of the important canals and waterways of the larger carriers, and he remained in control of them ever since.

Canal carriers began and in 1942 the Govt. took over all the

PORTS AND HARBOURS:

The great majority of ports and harbours are in the hands of harbour authorities coming under (a) Local Commissions or Trusts, not working for profit, established under statutory authority for the management of particular harbours, (b) Municiapal authorities, (c) Railway Companies, and (d) Harbour Companies or individuals.

These harbour authorities have as a rule been established by Special Acts of Parliament empowering them to work the particular harbour undertaking specified in the Act. Such Acts generally contain provisions dealing with such matters as the constitution of the harbour authority, the compulsory acquisition of any land, the construction of new works, the dredging and maintenance of the harbour, the maximum rates and charges to be levied, the making of bye-laws for the control and regulation of vessles and persons employed in connection with the harbours, the definition of the limits within which the authority may exercise jurisdiction and demand rates and the raising and payment of capital. Additional powers for the construction of new works, the levying of additional rates or the raising of additional capital are normally only obtainable by the promotion on the part the harbour authority of a private Bill, but except in the case of certain ports, and provided the cost of the proposed works does not exceed £100,000 and compulsory powers for the acquisition of land are not required, the Minister of Transport may make a Provisional order authorising particular work.

As a general rule, the facilities at large ports for dealing with the traffic passing through them has been well maintained; and the harbour authorities, with whether representative of public Trusts, such as the Port of London Authority, the Mersey Docks and Harbour Board and the Clyde Navigation Trust of municipalaties, such as the Bristal Corporation which manages the Bristol and Avonmouth Docks, or of railways, such as the Southern Railway Company, which owns the docks at Southampton, kept pace during the inter-war years with modern requirements as regards new locks and quays, railway and road facilities at the quays, appliances and general layout.

The ports serving coastwise shipping however received less attention, partly because the trade that at one time gave them their prosperity had fallen off, and partly because many of the smaller port authorities lacked the financial resources to prevent silting up or to provide modern facilities for loading and unloading.

During the second world war, powers relating to harbours and docks were vested in a body set up by the Government and known as the Port and Transit. The control. The effective co-ordination of Port facilities and inland distribution was served locally through (a) Regional Port Directors (in the Clyde Mersey. Bristol Channel, Humber, the North-East Coast- and during the invasion period in London) (b) the Port Emergency Committees and (c) local shipping Representatives of the Minstry of Transport.

Control was relaxed at the end of the war, and the normal peace-time procedure was reinstated, the harbour authorities once more becoming responsible for the organisation and management of the Ports and harbours.

CONCLUSION:

The main obstacle to the proper development of Public transport in Britain during the past twenty five years has been lack of co-ordination. Too many undertakings have been concerned in its provision, to the detriment of almost all of them, but particularly of the smaller concerns and those providing essential but less popular forms.

Already before the war, the Transport Advisory Council*, after examination of the railway" " Square Deal" proposals had published recommendations favouring a much greater degree of co-ordination. The experiences of the War years, while not revealing a clear functional division of transport since the various forms were controlled under conditions which are largely inapplicable in peacetime, demonstrated beyond doubt that under unified control, railways, road transport and canals were all able to deal with an increased volume of traffic without loss to any of them, and that transport systems can be more successfully linked to provide speedy transit of goods particularly to and from the ports.

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*This Council was set up in 1933 by the Road and Rail Traffic Act to advise the Minister of Transport.

The Transport Act, 1947 was therefore passed to bring about this essential co-ordination and to establish the benefits of a unified control. In the words of the Parliamentary Secretary to the Minister of Transport, when commending the Act to the House of Commons on 18th October, 1946:
"The Bil ..... creates a sound structure, on which a healthy and progressive transport system can be built, the pride of all who work on it and a vital instrument in planning of the reconsturction of our country ....."

/True Copy/

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(See also secti n XIII of Post-War Britain (R.1207).

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P.T.O.

APPENDIX

Extract from a Broadcast talk by the Rt. Hon. Alfred Barnes, M.P. Minister of Transport, on January 1st, 1948.

"At midnight last night the principal railways of Great Britain, London Transport, and the greater part of the canal system passed into public ownership. So the first big stride was taken towards establishing in this country a publicly-owned transport system under unified management.

"The vesting of the four main line railways and more than fifty others on the British Transport Commission is indeed an historic occasion. As the responsbile Minister I feel we should not allow it to pass without paying generous tribute to the great companies which have contributed so much to the social and economic life of the country, and to the generations of the railwaymen who have served us so faithfully and well. Over a period of more than a century they have built up a reputation for service and safety second to none in the world -------

"With this grateful acknowledgment to the railway undertakings of the past, I ask you to join with me in the welcmming their successor, British Railways which today becomes the most important unified railway system in the world. Some idea of the size of this undertaking may be formed from the fact that it controls fifty-two thousand miles of railway track, over twenty thousand steam locomotives, one million two hundred thousand wagons, forty-one thousand passenger carriages, eleven thousand motor vehicles, and - here's an interesting point - the railways still have twenty-five thousand horse vehicles. With the railway undertakings, there also pass into the nation's ownership over one hundred cross-channel steamers, railway-owned docks (representing about twenty-five per cent of the dock capacity of this country), and seventy hotels. It is a further indication of the diversified ramifications of the railways that the controlling interest in certain Road haulage undertakings and travel agencies, as well as large holdings in provincial bus companies, will also become vested in the British Transport Commission.

"London Transport, the baby of the transport family, has already established itself firmly in the heart of the London public, and to the Board and staff of this organisation also we tender our warmest thanks. In the fourteen years since the Board was established, great improvement schemes have been carried out, and the property which is now brought within the railway cars, nearly seven thousand buses, one thousand seven hundred trolley-buses, and nine hundred trams.

frame work of the national transport system includes 3600)

"The third group of transport undertakings taken over today by the Transport Commission is the network of inland waterways connecting the estuaries of the Thames, Severn, Mersey, and Humber, together with other important canals. Under a unified system of transport they should play a useful part.

"If you look at a map of Britain you will see that it is criss-crossed in every direction with roads, railways, and waterways, These communications are the conduit pipes of Britain's industry, the traffic channels which irrigate the country's trade and agriculature. In 1946 the railways moved two hundred and sixty-two million tons of the freight, and carried one thousand two hundred million passengers.

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Incidentally, it is an interesting fact that the London Transport system as a whole carried over three times as many passengers as the main line railways. The total was over 4000 million passengers. Our Canals moved over ten million tons of freight. These, I think you will agree, are stupendous figures.

"The maintenance and development of this vast system of Communications from now on will be the responsibility of the British Transport Commission. The next step will be the transfer of road haulage undertakings engaged in long distance transport. Later on, schemes will have to be prepared for the grouping or regrouping of road passenger transport services and trade harbour's".

/True Copy/

Superintendent

SP/5.6. Madras Record Office.

9/6.

NOTE FILE

C.No. 69618-G/48. HOME DEPARTMENT

Transport - Nationalisation of Transport in Great Britain - Pamphlet.

From the T.C., No. 5900/B1/48, dated 4.8.1948.

The Transport commissioner has forwarded for the information of Government a copy of a pamphlet received from the British Information Services (India) on the Nationalisation of Transport in Great Britain - pages 2-14 C.F. The Salient points of the nationalisation scheme are summarised in the note on page 2 c.f. The provisions of the Transport Act, 1947, are explained on pages 3-7 c.f. The Section on "Road Transport" on pages 9-10 c.f. traces the history of the development of road transport until it was nationalised on 1st January 1948.

It will be seen from the pamphlet that the Transport Act, 1947, received Royal assent and became operative on the 6th August 1947. The purpose of the Act was to set up in Britain a publicly owned system of inland transport (other than by air). The general powers of administration of the nationalised transport services are vested in the British Transport Commission. The Minister in charge of the scheme is the Minister of Transport. Attention is particularly invited to the portion marked A on page 5 c.f. relating to compensation for assets or undertakings taken over. The essential point of difference between the British Transport Commission and the Provincial Road Transport Board proposed to be set up in this province is that, whereas the former is vested with general powers of administration of transport services by road, rail and waterways, the latter, as its name implies will be concerned only with road transport services after nationalisation.

No remarks seem called for on the prephlet. Public Works may bee before circulation to Hon'ble Minister (Finance).

(Sd) .....
14.8.1948.

/True Copy/

PUBLIC WORKS DEPARTMENT(S).

The Pamphlet on the Nationalization of Transport in Britain may be perused and the file returned to Home.

(Sd) .....
23.8.1948.

HOME DEPARTMENT.

The file may now be circulated to Hon'ble Minister (Finance) for perusal of the pamphlet on the Nationalisation of Transport in Britain at page 2-14 c.f.

(Sd) .....
30.8.1948.

/True Copy/

SP/8.6.1948.

P.T.O.

H.M. (FINANCE).

Ms. G.O.

The pages may be recorded in a/to facilitate future reference.

(Sd) .....
11.9.1948.

Abstract.

G.O.Ms. No. 3404 dated 13.9.48.

Transport - Pamphlet on Nationalisation of Transport in Britain - Recorded.

(Sd) .....
Secretary to Government.
10.9.1948.

/True Copy/

SUPERINTENDENT

Madras Record Office.

/True Copy/

SP/8.6.

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